

13 October 1953

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Conversation with Mr. Dodge on the latter's letter refusing to approve of CIA's request to support [redacted] on an emergency basis.

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1. Mr. Dodge has based his refusal to approve of your request solely on his belief that "for CIA to undertake that portion of the [redacted] activities as a consequence of appropriation reductions could be construed as a violation of the intent of Congress." Legally, he is on very sound ground inasmuch as the Central Intelligence Agency Act of 1949, Section VI, provides that "in the performance of its functions the Central Intelligence Agency is authorized to (a) transfer to and receive from other Government agencies such sums as may be approved by the Bureau of the Budget....."

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2. I think it would be in error to state that "in our opinion the members of Congress who considered CIA's budget expected CIA to use its appropriation as a whole to procure whatever intelligence the DCI and the IAC determined to be essential to the national security" if this action is extended to supplementing the budgets of other agencies. On the contrary, I had a definite impression from my discussions with the House Committee Staff and with Mr. Taber personally that they were trying to curtail the transfer of funds among agencies.

3. It is my belief that our relations with the Bureau of the Budget may suffer if we contest the stand which it has taken as a matter of principle. It would seem to me to be more appropriate to ask Mr. Dodge to reconsider his decision with the understanding that we will, in conjunction with his representative, obtain approval from key members of the House and the Senate. I also believe we should emphasize that we do not propose to transfer money to the [redacted] for this purpose on a continuing basis, but, rather, that this particular case is essential to meet an emergency.

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4. It is also my understanding that the [redacted] is actively reconsidering its position and has not decided yet whether or not it can absorb this cost in its redistribution of Fiscal Year 1954 funds. It would seem to me that it is essential for [redacted] to take a definite position one way or another before we press the matter with Mr. Dodge. Of course, if it decides that it can absorb the cost, then we have no problem.

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L. K. WHITE  
Acting Deputy Director  
(Administration)

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